

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
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In the Matter of)
)
Implementation of Section 17)
of the Cable Television Consumer)
Protection and Competition Act)
)
Compatibility Between Cable Systems)
and Consumer Electronics Equipment)

ET Docket No. 93-7

REPLY OF GTE

GTE Service Corporation ("GTE"), on behalf of its domestic telephone operating companies and GTE Laboratories Incorporated, hereby replies to comments addressed to the Commission's Notice of Inquiry ("Inquiry"), FCC 93-30, released January 29, 1993.

GTE's interests in the Inquiry are multiple. A local exchange carrier ("LEC"), GTE California Incorporated, leases coaxial cable facilities to a cable operator, Apollo Cablevision, in Cerritos.¹ Among the experiments being conducted there are GTE Labs' test of a fiber optic point-to-point switched video system, whose services include "Video on Demand." Other innovative offerings on the Cerritos system are a "Near Video on Demand" service, Center ScreenSM, the interactive shopping/education/information vehicle, Main StreetTM, and hybrid

¹ *General Telephone Company of California*, 4 FCC Rcd 5693 (1989), remanded *sub nom. National Cable Television Association v. FCC*, 914 F.2d 285 (1990), post-remand proceeding pending, File Nos. W-P-C-5927, 6250.

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interactive television provided by GTE ImagiTrek® in collaboration with programmers that include the Discovery Channel.²

Accordingly, GTE views itself -- now and increasingly so in the future -- as a provider of video transmission services to both cable operators and alternative multichannel video programming distributors, as well as a supplier of innovative video services. It seeks a broadly inclusive process of technical and policy consultation leading to widely applicable standards and regulations governing compatibility between cable TV and other distribution media, on the one hand, and consumer electronics equipment on the other hand.

GTE agrees with NATOA, Discovery Communications
and others who seek to broaden the consultative process.

NATOA (Comments, 2-4) identifies local franchising officials as among the parties interested in the process and outcome of compatibility consultation and regulation. Discovery cautions that too limited a range of industry advice may "inadvertently erect barriers to the development and implementation of new technologies and services," and recommends that the FCC consider

establishing a broad-based advisory committee or using
regulatory negotiation in the development of any
regulations needed to insure compatibility . . .³

GTE agrees with Ameritech's admonition (Comments, 2) to ensure that "any proposed rules do not hamper the development of video dialtone," and with its suggestion that existing industry standards-setting bodies -- at least one of which

² See generally, 1992 Report on Cerritos, submitted to Domestic Services Branch, Common Carrier Bureau, by GTE California Incorporated, March 30, 1993.

³ Comments, 5. The process of regulatory negotiation, or "reg-neg," generally accords Federal Advisory Committee status to the representative body of selected negotiators. 5 U.S.C. §565.

already has published an international video digital compression standard -- be used to the extent they "reflect the input of all industry participants." *Id.* at 3.⁴

Both USTA and the Consumer Electronics Group of the Electronic Industries Association ("EIA/CEG") are on target in reminding the Commission that adherence to short-term statutory deadlines should not allow a "quick fix" mentality to override the need for long-term progress toward "universal compatibility."⁵ As USTA observes:

It is exactly what the new entrants can offer that should make the Commission most receptive to them -- innovative applications and creativity that can re-energize the delivery or provision of video programming by wire or spectrum, and creative cooperation with technical experts in the manufacturing community. (Comments, 4)

FCC-industry collaboration should approach compatibility from the equipment as well as the transmission side.

The Inquiry asks, at ¶17, about the "implications for a standard interface arising from the digital transmission of video over common carrier networks." GTE has participated in the work of the Advanced Television Systems Committee ("ATSC") Specialist Group on Interoperability and Consumer Product Interface (T3/S2), and supports fully the conclusions in the Final Report of the Group, briefly excerpted below:

⁴ Besides enhancing the comprehensiveness of the dialogue, additional parties have the opportunity to serve as mediators between the cable and consumer electronics industries, each of which -- despite their well-intentioned early efforts at compromise -- tends to blame the other for the present ills of non-compatibility. They are agreed, however, on the critical need of a single standard "for digital compression and transmission." Comments of the Cable-Consumer Electronics Compatibility Advisory Group ("Advisory Group"), 19.

⁵ USTA at 2-4, EIA/CEG at 10-11.

It is essential that all ATV receivers and VCRs be equipped with a baseband digital interface. The interface should be bi-directional with separate input and output connections. The signal present at the interface should be the source-coded digital signal recovered by the ATV receiver. The presence of the baseband digital interface is a necessary first step to achieving a single, conditional-access standard and even if such a standard cannot be agreed to, the baseband digital interface will provide a high degree of user-friendliness by eliminating the need for set-top converters.

The Group's Final Report saw no "technical reasons to prevent the development and adoption of a single conditional-access standard for ATV" which would involve "scrambling in the digital domain and the use of a replaceable security module." It urged industry agreement on a "single voluntary conditional-access standard that can be used by all media to deliver premium ATV programming."⁶

GTE also has been represented in the work of the EIA ATV Receiver Interface Subcommittee R-4.1, which has been operating on the assumption that future television receivers should be "friendly" to alternate delivery media. Last year, the Subcommittee surveyed companies participating in various ATV video standards organizations on issues associated with interfaces for baseband video (analog or digital), control and conditional access as well as RF video.⁷

GTE agrees with EIA/CEG (Comments, 9) that the FCC "should favor solutions that maintain functionalities in the competitive arena," and in this regard endorses particularly the implication (note 12) that the cable home wiring

⁶ ATSC Document T3/217, December 8, 1992, included as Attachment B to ATSC Comments, MM Docket No. 87-268, December 21, 1992, 19.

⁷ George Hanover (EIA), Norman Epstein (GTE), Gary Hartwick and Daniel Harasty (Bell

proceeding, MM Docket 92-260, should move beyond the deadline-limited findings of the initial Report and Order to "consideration of a regulatory regime under which the demarcation point would serve as the dividing line between monopoly cable services and the competitive consumer premises" from the outset of cable service, not merely upon termination of such service.⁸

GTE believes it would be regrettable, however, if the voluntary spirit that must animate agency-industry consultations were dampened by some mandatory forbidding of scrambling "unless and until the cable industry agrees to adopt a single standard for cable-delivered digital compression, transmission and scrambling -- or until one is prescribed by the Commission." (EIA/CEG, 42-43)

GTE feels constrained to say this despite personal and direct experience, in Cerritos and other locations,⁹ with incompatibilities requiring the use of various types of peripheral converters or decoders. Data from the Cerritos experiments collected in the 1988-90 period, for example, suggested declining levels of customer satisfaction with TV set-top units.

⁸ The NYNEX Petition for Reconsideration in the docket, filed April 1, 1993, gives the Commission an opportunity to expand the scope of the proceeding. Alternatively, the agency could issue a further notice of rule making.

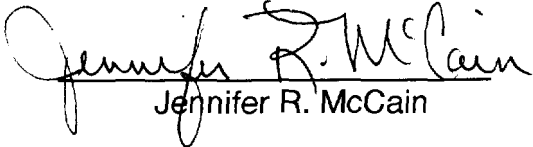
⁹ The Main Street service described above has moved from experimental to commercial delivery on Continental Cablevision systems in Boston and is available commercially on the Daniels Cablevision system in San Diego.

CONCLUSION

For the reasons discussed above, GTE suggests that the Commission recommend to Congress, and take interim actions to encourage: (1) the broadening of the compatibility consultation process beyond EIA/CEG and NCTA, and (2) a balanced approach that looks at both transmission and consumer

Certificate of Service

I, Jennifer R. McCain, hereby certify that copies of the foregoing "Reply of GTE" have been mailed by first class United States mail, postage prepaid, on the 21st day of April, 1993 to all parties of record.


Jennifer R. McCain